

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6828

BILL NUMBER: HB 1328

NOTE PREPARED: Jan 9, 2006

BILL AMENDED:

SUBJECT: Local taxes and fees.

FIRST AUTHOR: Rep. Espich

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Requires a lease rental or bond issue for certain local capital projects with a cost of at least \$2,000,000 to be approved at a local referendum if the preliminary determination to enter into the lease or issue bonds is made after June 30, 2006, and if the referendum is requested by local taxpayers. Applies the petition and remonstrance process if the preliminary determination is made before July 1, 2006. Makes conforming amendments. Limits to 3% the annual increase in property tax rates on residential property other than rates for debt service and lease rentals. Allows the county auditor to reduce a taxing unit's assessed value used to set property tax rates for the following year to enable the unit to absorb the effects of reduced property tax collections expected to result from successful assessed value appeals. Limits the amount of the reduction. Bases a civil taxing unit's maximum property tax levy on the greater of the unit's maximum levy or actual levy for the previous year. Allows the fiscal body of a county, city, or town to adopt an ordinance increasing the amount of certain specified fees or charges above the statutory maximum that would otherwise apply to the fees or charges. Provides that the total amount of a fee or charge that is increased above the otherwise applicable statutory maximum may not exceed an amount that is reasonably related to the administrative cost of: (1) providing or carrying out the service, function, or program for which the fee or charge is imposed; or (2) exercising the regulatory power or function for which the fee or charge is imposed; as determined by the fiscal body in a public hearing.

Effective Date: Upon passage; July 1, 2006.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.